

IDAHO EMPLOYMENT

IDAHO
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1990s MINIMUM WAGE HIKE, MINIMUM IMPACT

With the issue before both Congress and the Idaho Legislature, questions have arisen about the effect raising the minimum wage will have on the economy, particularly its impact on jobs at the lower end of the wage scale.

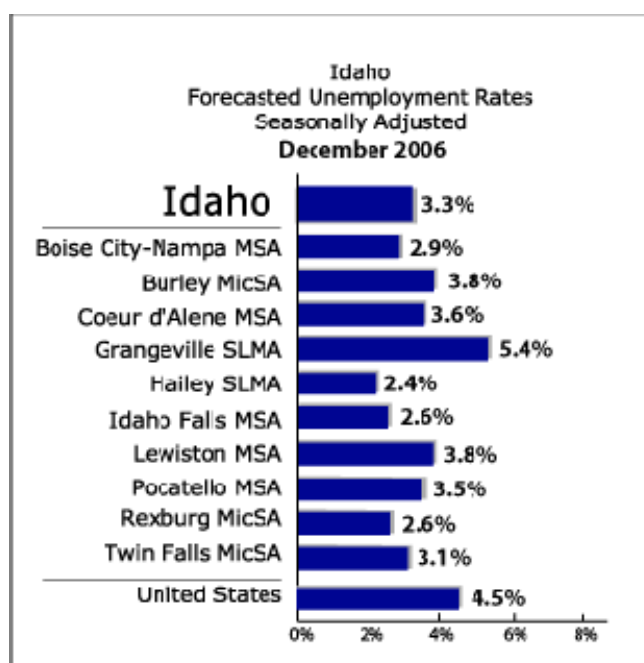
Figures from the U.S. Bureau of Labor Statistics show job growth nationally in retail trade, tourism, hotels, motels and restaurants generally slowing in 1997, when the last minimum wage increase was implemented — and even into 1998 in some sectors.

But the Federal Reserve Board, in its periodic assessments of the national and regional economies in what it calls the Beige Book, suggested the slowing was the result of labor shortages rather than overly expensive labor.

In Idaho, some weakness occurred in certain sectors in the quarters right after the minimum wage went up, especially among smaller businesses, but others showed continued strong growth unimpeded by the two-step increase of 90 cents to \$5.15 an hour in late summer 1997.

The federal version of the minimum wage applies to the vast majority of Idaho's workers, who number 730,000 today. It went up 50 cents, nearly 12 percent, from \$4.25 to \$4.75 an hour on Oct. 1, 1996, and then another 40 cents, or 8.4 percent, on Sept. 1, 1997. The Idaho Legislature followed at the state level but with a delay in the first phase, which did not take effect until April 1, 1997. The second step of the increase in the state minimum wage

Continued on page 2



The State Overview for December 2005 data, economic indicators and non-farm job data will be published in the next issue of Idaho Employment.

coincided with the increase in the federal minimum. Only a small percentage of Idaho workers — generally those employed by companies that gross less than \$500,000 and are not engaged in interstate commerce — are exempt from the federal minimum wage and rely on the state minimum wage law for coverage.

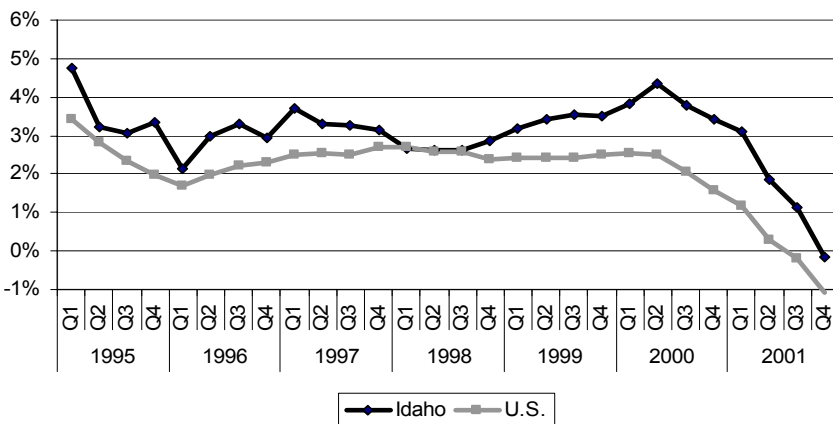
Today, Congress is considering the first minimum wage increase since then. It would raise the minimum 70 cents to \$5.85 an hour, or 13.6 percent, 60 days after the bill is enacted — probably sometime this spring or summer. The wage goes up another 70 cents an hour, or 12 percent, to \$6.55 a year later and another 70 cents, or 10.6 percent, to \$7.25 a year after that.

The state Legislature is considering a bill that would mirror the federal plan.

The minimum wage increase in the 1990s appeared to have little impact on the overall Idaho economy.

Total nonfarm employment grew at a faster pace than nationally in every quarter of 1995, 1996 and 1997 before simply matching the national rate for the first three quarters of 1998 and then resuming its higher growth rate all the way into the national recession.

Chart 1: Quarterly Nonfarm Job Growth, 1995-2001—Idaho, U.S.



Job growth in the trade sector exceeded the national rate except for the final quarter of 1997 and the first quarter of 1998 while the service sector posted underperforming quarters in summer 1996, winter 1997 and winter and spring 1998. These sectors tend to have more of the lower paying jobs than others, and the minimum wage increases were on Oct. 1, 1996, and Sept. 1, 1997.

A 2005 analysis of wage rates in Idaho estimated 32,000 jobs paying between \$5.15 and \$6.15 an hour. Over 19,000 of those jobs, more than 60 percent, were estimated to be in retail trade, accommodations and food service.

The Federal Reserve's first economic analysis after the initial wage hike in 1996, issued in January 1997, found that many retailers around the nation "note their only concern is finding seasonal employees."

Two months later the nation's central bank found the economy across the nation expanding at a relatively moderate rate and "tight labor markets still dominate in almost all parts of the country." Despite that, the Federal Reserve found no significant upward pressure

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on wages although employers were beginning to offer other incentives such as store discounts and better benefits.

Then just after Thanksgiving, three months after the second phase of the minimum wage increase hit, the fed found economic growth continuing at a moderate pace. But while labor shortages had intensified in key sectors, there were only infrequent reports of pressure on wages.

“Retailers in almost all districts are having particular trouble hiring and retaining workers for the busy holiday season,” the report said.

While Idaho’s overall economy was not obviously affected by any phase of the 1990s minimum wage increase, smaller retail trade, hotel and restaurant businesses — those with fewer than 50 workers — did record slower growth in terms of establishments and payroll. But that could be attributed to workers in those typically lower-paying sectors getting the opportunity presented by a tight labor market to move into better jobs in other sectors where competition for workers was intensifying.

“Generally positive views of the economy were tempered by many reports of tight labor markets and increasing wage pressures,” the Federal Reserve said in its March 1996 analysis of the economy for its district that includes Idaho. “High turnover rates, reflecting frequent ‘job-hopping,’ were noted.”

Employment growth in smaller businesses of all stripes was slowing throughout the mid-to-late 1990s as some of the more successful enterprises expanded and moved above 50 employees. The labor crunch was also making it difficult for smaller businesses, often with less competitive benefit packages, to attract new employees.

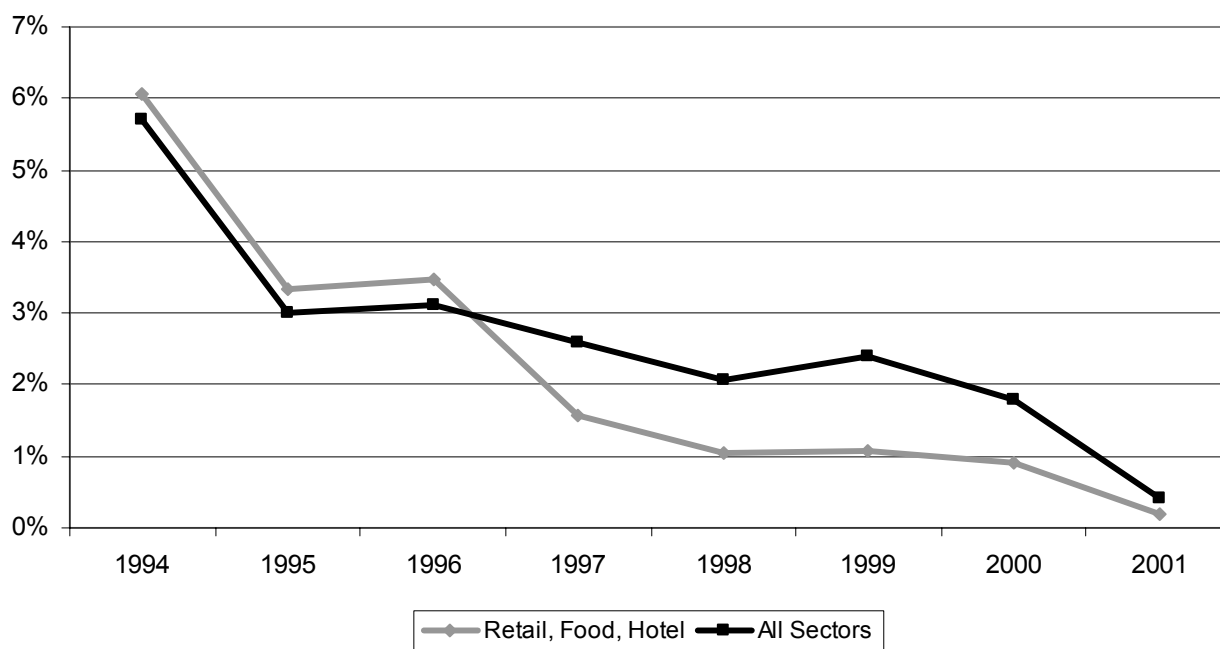
By October 1997, the Federal Reserve said the region that includes Idaho had “shortages of both skilled labor and entry-level workers.”

“Labor shortages reportedly have intensified in recent weeks,” the Federal Reserve reported then. “Even when significantly higher wage offers accompany signing bonuses and other benefits, some advertised positions either go unfilled or are filled by workers who lack the desired training.”

During the two quarters after the initial hike in the minimum wage in 1996, the smaller businesses in retail, accommodations and food service increased average employment by 2.1 percent over the same two quarters a year earlier. That was a full percentage point below the growth for those sectors overall and over a point and a half lower than all businesses in Idaho.

A year later, following the second phase of the increase to \$5.15 an hour, that same group of small retail, food service and accommodations business saw employment essentially stagnate. Growth was just 0.7

Chart 2: Employment Growth of Idaho Businesses With Fewer than 50 Workers, 1994-2001



percent over the same two quarters a year earlier. Those sectors overall grew another 2.4 percent while employment economy-wide was up 3.6 percent.

The following fall of 1998 and winter of 1999, the small operators in retail, accommodations and food service more than doubled job growth to 1.5 percent. But the general slowdown in employment growth for those businesses that began well before the increase in the minimum wage continued well after it until the national recession began taking its hold on the Idaho economy in 2001.

Employment throughout the Idaho economy continued growing at over 3 percent in the final years leading up to the downturn, while the retail, food service and accommodations sector overall grew at an average rate of nearly 3 percent.

But even during those final years of the 1990s, economists emphasized that much of Idaho's job growth was concentrated in its two major metropolitan areas — Kootenai and Ada-Canyon counties — leaving rural communities struggling economically years before the national recession actually occurred.

The significant difference between the late 1990s and today's economy is the unemployment rate.

A rate that never dropped below 5 percent until 1999 and over 4.5 percent into the national recession

is now at 3.3 percent and likely in the near future will stay well below the 4 percent economists call full employment.

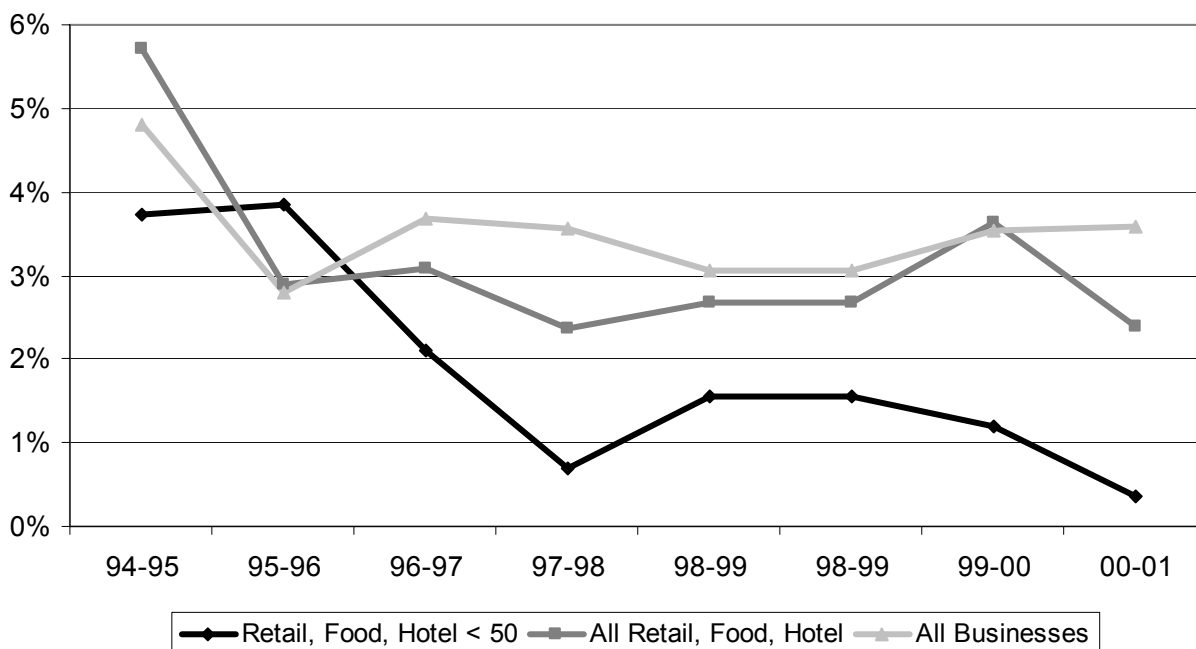
Pressuring the labor market to keep unemployment low is Idaho's aging work force. In 1997, just 30 percent of Idaho workers were 45 or older. Last year, nearly 38 percent of the people working in Idaho were at least 45.

That extremely tight labor market and the shortages of specific skills in various parts of the state have been pushing wages higher for the past two years.

Idaho's average weekly manufacturing wage has jumped 28 percent since the national recession and rose over 16 percent in 2006 alone, according to the U.S. Bureau of Labor Statistics. That kind of wage pressure is a major cause of the hiring problems many small retail and other businesses are having and for the increases those employers have had to offer in wages to keep and attract workers.

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Chart 3: Idaho's Average Q4-Q1 Employment Growth in Retail, Food, Hotel 1994-95 to 2000-01





Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

The Panhandle economy continues to thrive and receive more good news about its future prospects. With the exception of the region's long-term mainstays — logging and wood products — other industries are expanding. Fortunately, the bleeding in the logging and wood products industries is temporarily staunch. While construction remains the largest source of new jobs in all of the Panhandle counties, it is just one of many sectors that is growing. Perhaps most impressive is the strength of electronic, equipment, metal parts, plastic product and food product manufacturers in Bonner and Kootenai counties during the last few years at a time when the U.S. economy continues to lose manufacturing jobs.

The Panhandle's largest county, Kootenai, exhibits strong growth in many sectors as shown by Table 1. The Coeur d'Alene Metropolitan Statistical Area is comprised of just Kootenai County. All MSAs across the United States are made up of an entire county or a collection of entire counties.

The only sectors to show declines over the 12-month period are wood products manufacturing because of the closure of Stimson Lumber's Atlas mill on Jan. 1, 2006, transportation because of the reduction in logging and lumber shipping and information because of the loss of 20 telecommunications jobs.

After four years of strong job growth, Kootenai County's seasonally adjusted unemployment rate has hovered in a very low range between 3.3 percent and 3.9 percent since August 2005. The other Panhandle counties, except for Boundary, are experiencing unemployment rates at or near record lows. With manufacturing and construction generating hundreds of new jobs each year, Bonner County's unemployment rate has fallen close to the U.S. unemployment rate for the first time in at least three decades. In December, it

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment
Kootenai County

	Dec 2006*	Nov 2006	Dec 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	69,840	70,130	68,300	-0.4	2.3
Unemployed	2,650	2,560	2,660	3.5	-0.4
% of Labor Force Unemployed	3.8	3.7	3.9		
Total Employment	67,190	67,570	65,640	-0.6	2.4
<i>Unadjusted</i>					
Civilian Labor Force	69,940	70,220	68,650	-0.4	1.9
Unemployed	2,830	2,430	2,760	16.5	2.5
% of Labor Force Unemployed	4.0	3.5	4.0		
Total Employment	67,110	67,790	65,890	-1.0	1.9
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	55,270	55,650	53,060	-0.7	4.2
<i>Goods-Producing Industries</i>	11,030	11,220	10,530	-1.7	4.7
Natural Resources & Mining	500	510	450	-2.0	11.1
Construction	5,910	6,090	5,410	-3.0	9.2
Manufacturing	4,620	4,620	4,670	0.0	-1.1
Wood Product Manufacturing	930	930	1,050	0.0	-11.4
Other Manufacturing	3,690	3,690	3,620	0.0	1.9
<i>Service-Providing Industries</i>	44,240	44,430	42,530	-0.4	4.0
Trade, Transportation, & Utilities	10,290	10,290	10,080	0.0	2.1
Wholesale Trade	1,430	1,450	1,350	-1.4	5.9
Retail Trade	7,850	7,820	7,600	0.4	3.3
Transportation, Warehousing & Utilities	1,010	1,020	1,130	-1.0	-10.6
Information	970	970	990	0.0	-2.0
Financial Activities	2,940	2,920	2,860	0.7	2.8
Professional & Business Services	6,500	6,580	6,040	-1.2	7.6
Educational & Health Services	5,820	5,790	5,520	0.5	5.4
Leisure & Hospitality	6,440	6,560	6,220	-1.8	3.5
Other Services	1,410	1,410	1,390	0.0	1.4
Government Education	3,730	3,780	3,700	-1.3	0.8
Government Administration	5,420	5,420	5,080	0.0	6.7
Government Tribes	720	710	650	1.4	10.8

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

was 4.5 percent, the same as the national rate. Shoshone County's unemployment rate, which exceeded 10 percent most of the time from 1982 through 2005, was 7.3 percent in December. Benewah County also often experienced double-digit unemployment rates during the previous 25 years, but its rate fell to 7.5 percent in December. Inclement weather and troubles in the lumber industry, following the loss of its largest employer in 2005, account for Boundary County's 9.1 percent unemployment rate in December. Despite its higher rate, it still is struggling with some of the same labor shortage and related housing affordability issues as the other Panhandle counties.

AREA DEVELOPMENTS

BENEWAH COUNTY

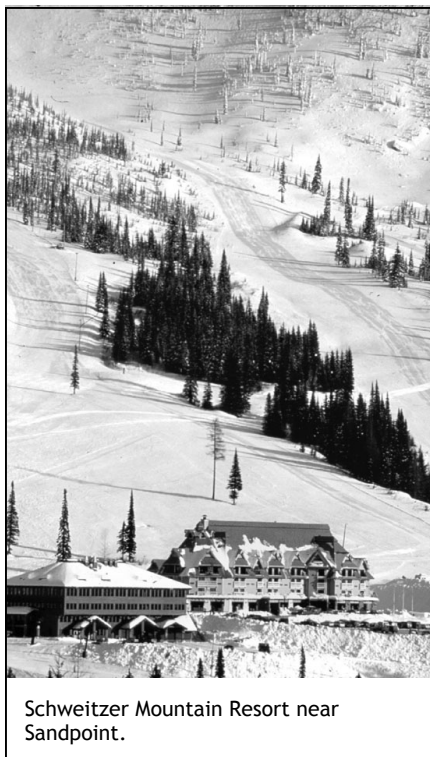
- **Handling Growth** — Benewah County recently received an Idaho Commerce & Labor grant that helps rural communities develop resources to deal with surrounding economic growth. The \$550,000 grant is being divided among 35 communities statewide that have shown the biggest needs. Timber Plus, the county's economic development group, hopes the money will target ordinance upgrades, training for planning and zoning officials and updating the county's comprehensive plan. The money may be used to create a process that developers can follow, providing a check list they need to follow for planning and zoning.

BONNER COUNTY

- **Resort Invests in Winter Tourism** — Schweitzer Mountain Resort near Sandpoint is making a \$10 million investment this year, the largest it has ever made in a single year. It plans to replace Chair One, the lift that has been carrying skiers ever since the ski area opened in 1963. Chair One can transport 660 people an hour. When the ski season ends in April, Chair One will be torn down and two new high-speed lifts will carry more passengers at a faster rate — 3,200 people an hour. Schweitzer will spend \$6 million on the new lifts, which will be ready by Thanksgiving. The Basin Express, a quad chairlift, will take skiers and snowboarders to a midway station accessing intermediate terrain while the Lakeview Triple lift will begin at the midway station, reaching expert-level terrain at the top of the mountain in less than five minutes. The new lifts are expected to shorten wait times on the mountain. Shorter wait times should increase visits by skiers and snowboarders. Altogether, the new lifts, which will join five chairlifts and three surface lifts, will increase the resort's uphill capacity 28 percent from 9,267 people per hour to 12,807.

Schweitzer also plans to spend \$2 million on additional snowmaking and grooming equipment, hoping to guarantee opening on Thanksgiving Day every year. It also will spend \$2 million on a sewer upgrade for future real estate expansion. The resort recently opened Schweitzer Land & Timber Co. to sell a second phase of home sites in the Trappers Creek subdivision.

Schweitzer is Bonner County's largest tourist facility. In the winter, it employs more than 500 people. With-



out the visitors Schweitzer brings and the dollars it provides to its employees, Bonner County's retail, lodging, restaurant and service sectors would experience much greater drops in employment in the winter months. While many visitors have the impression that Bonner County's winter tourism season is larger than its summer tourism season, that's not true. Bonner County hotel-motel receipts for the first quarter of 2006, which would encompass most of ski season, were nearly \$3 million compared to \$6.3 million in the third quarter of 2006, which would encompass the busiest part of the summer season, according to the Idaho Travel & Convention Tax Report published by the Idaho Tax Commission. But without Schweitzer, the difference between first quarter and third quarter would be much greater. The three Panhandle counties without ski areas — Benewah, Boundary and Kootenai counties — had first quarter hotel-motel receipts of \$5.6 million compared to third quarter receipts of \$22 million. Receipts in the counties without ski areas were four times higher in the third quarter than in the first quarter. Receipts in Bonner County were a little more than twice as high in the third quarter than in the first quarter.

- **Litehouse Starts ESOP** — Litehouse, Bonner County's largest manufacturer and the nationally known maker of refrigerated salad dressings and dips, announced in December that it will become an employee-owned company. The privately-held family firm, created by the Hawkins family 40 years ago, sold 30 percent of its stock to an Employee Stock Ownership Plan. The shares will be held in trust for workers, who will accrue them over time through vesting. At this time, the Hawkins family still has controlling interest in Litehouse. The long-term plan is to sell the majority interest to the employee ownership plan, which will make the employees the company's majority owners.

For Litehouse's 539 employees in Sandpoint and in Lowell, Mich., the creation of the stock ownership plan means their jobs will remain in their communities. If the family had sold the company, which had revenues of \$113 million last year, it is very likely that the production and distribution facilities would have been moved elsewhere.

- **Brewing Up Sales** — Laughing Dog Brewing opened in August 2005 in a 5,000-square-foot facility at the industrial park in Ponderay. Now the microbrewery

plans to double its production to 2,000 barrels of beer this year and turn its first profit. Owner Fred Colby says half of the brewery's beer is consumed in Bonner and Boundary counties and the rest in other counties in Idaho and Washington. The beer's great taste and a label featuring a happy Labrador retriever are creating considerable attention, and Information Resource Inc. recently named two of Laughing Dog's beers — its cream ale and IPA — among the nation's 15 top-selling new craft-beer brands in 2006. The competition included some very large breweries like Deschutes, Widmer and Samuel Adams. With sales distribution now reaching Seattle and Boise, Colby expects to be selling beer in Oregon and Montana by the end of the year.

KOOTENAI COUNTY

- ***Rising Spirits in Spirit Lake*** — Spirit Lake, a town of more than 1,500 residents in northwestern Kootenai County, will celebrate its centennial in January 2008, and its first 100 years appear to be ending on a high note. The town's population is growing, new businesses are popping up, its library will double in size when expansion is completed in October, and its chamber of commerce is thriving and just opened an office with a visitor's center. After several decades with a population hovering around 700, Spirit Lake has grown from 790 in 1990 to 1,376 in 2000. The U.S. Census Bureau says its 2005 population was 1,500. By the end of this year, its population is likely to be double its 1990 level. Idaho Commerce & Labor statistics illustrate the town's economic growth. Between 2000 and 2006, the number of employers in Spirit Lake increased from 41 to 68, and the number of nonfarm payroll jobs has increased from about 200 to 380. The newly revitalized chamber wants to increase the town's visibility while maintaining its tight-knit community atmosphere. It will open a Treasures and Farmers Market on Maine Street to run Fridays and Saturdays from May 4 through Sept. 29. Among new businesses coming to Spirit Lake are the office of dentist Terry DeVore, an Inland Northwest bank branch, a Mexican restaurant and a bookstore and coffee shop owned by Jonathan Zucker.

Developer John Sempere, who owns several pieces of property in Spirit Lake, has big plans for the town including a golf course and other projects that will be announced later. Upcoming development is expected to add hundreds of homes.

- ***Bus Service Adding Links*** — Northern Idaho's CityLink bus system will expand this spring to serve neighborhoods, senior centers, medical services, education and shopping in the Coeur d'Alene, Hayden and Post Falls areas. In late March, the free bus service will offer 27 flag stops in the urban area loop. Flag stops

allow riders to catch the bus by waving or "flagging" it down.

The 18-month-old bus system, created by the Coeur d'Alene Tribe, is paid for with \$1.38 million in federal grant money, \$500,000 from the Idaho Transportation Department and \$1.38 million from the tribe. It currently operates three routes with 23 total stops — the urban route connecting Coeur d'Alene, Post Falls and Hayden; a rural route through Tensed, DeSmet, Plummer and Worley and a link between those two routes. Eventually, the tribe hopes to expand links to communities in the Silver Valley, Sandpoint and Lewiston areas.

CityLink operates daily, 22 hours a day. The buses carry 14 to 34 passengers and include wheelchair lifts and bike racks. For details on routes and schedules, visit <http://www.idahocitylink.com> or call (877) 941-7433.

- ***Empire Aerospace Soars*** — Empire Aerospace, the aircraft maintenance company at the Coeur d'Alene Airport in Hayden, recently landed a 12-month contract to modify and upgrade 31 Q400 turboprop airplanes owned by Horizon Air. Empire will make modifications in the frames of 18 planes, outfit all the planes with the latest electronics and make cosmetic improvements on a few of them. The work will be done at the former Air National Guard Hangar at Spokane International Airport. This is Empire's first contract with Horizon and could lead to a long-term relationship.
- ***100 Years of Hudson's*** — The Idaho Legislature recently commended a 100-year-old, family owned business in downtown Coeur d'Alene. Hudson's Hamburgers is a long-time feature of downtown that began as a "quick eats" stand in a tent in 1907. Today, locals and tourists alike crowd into the restaurant where the only seats are 18 stools around the counter. They can order one of only four items on the menu — hamburgers, ham-and-egg sandwiches, slices of pie and beverages. About 15 years ago, USA Today named Hudson's as one of the best places in the U.S. to get a hamburger. The only picture for the cover story was Hudson's.
- ***New Businesses*** — Hayden Creek Plaza consists of two buildings, 25,000-square feet each, in Hayden. The plaza's first tenant was Just Because, an upscale women's clothing store. In December, Rosalie Alexander opened Storybook Bridal Boutique. In addition to bridal gowns, the boutique also offers clothing, accessories and gifts for other women and girls in the bridal party or other special occasions. The plaza's newest tenant is Exercise Institute, which recently opened in a 1,300-square-foot space full of exercise

equipment for weight loss and fitness. Among tenants planning to move there soon are Club Tan with 10 tanning beds and a gift shop featuring women's swimwear and toe rings, Hayden Creek Coffee, a coffee shop and North Country Traders featuring vases, baskets, wall art and rugs.

- Coeur d'Alene is home to several new businesses. Inspired American Décor, which sells furniture and home décor, opened before Christmas next to Granny's Wild Geranium on West Appleway. Iron Temple, a gym specializing in hard-core strength training and body building, recently opened on North Government Way. Wingstop, a Texas franchise specializing in Buffalo wings, recently opened its first Northwest restaurant in the new addition to Town Center. Besides offering nine flavors of wings, the 38-seat restaurant serves chicken strips and a wide range of side dishes. It employs 16 people.
- Post Falls welcomed several new businesses in the last couple of months. Julie Hamon opened A Cut Above, a full-service salon also offering photo imaging. Donut House II moved into a former house behind the White House Grill at Seltice Way and Spokane Street where its five employees serve doughnuts, muffins, croissants, bagels and coffee. Spokane Teachers Credit Union opened its first northern Idaho branch — an 18,000-square-foot facility with two drive-throughs that employs 16 people. A Duffy's Electric Boats franchise recently opened, offering electric boats that can cruise for 10 hours on a recharge that uses less than \$1 worth of electricity. The boats travel at a slow pace — about 7 miles per hour — and are considered relatively low-maintenance.

SHOSHONE COUNTY

- **New Jobs at the Coeur and Galena** — With silver prices around \$14 an ounce, the Coeur Mine may rise again. U.S. Silver Corp., which purchased the Coeur and the Galena mines last summer from Coeur d'Alene Mine Corp., plans to spend \$1.5 million this year to restart the ore-processing mill at the Coeur and explore for silver and lead ore in the mine, which has been closed since 1997.

The nearby Galena Mine and mill, which were operating at the time of the purchase, currently employ about 140 people. Traditionally, the Galena has primarily produced silver and copper. With lead prices rising, the Galena now is extracting more silver-lead ore. The Galena's mill specializes in processing silver-copper ore so the Coeur mill will focus on silver ore with high lead content when it reopens this summer.

Exploration activity at the Coeur could help evaluate the possibility of reopening the mine now that metal prices are so high.

U.S. Silver plans to hire 15 people to reopen the mill and start exploration efforts.

- **More Luck for the Lucky Friday** — Hecla Mining, the 116-year-old mining company based in Coeur d'Alene, is considering a capital outlay of up to \$200 million at its Lucky Friday Mine near Mullan. That could boost its silver production by 80 percent. The underground mine will produce about 3.5 million ounces of silver this year at a cost of about \$4 per ounce. With a new mill and two new shafts, the Lucky Friday could produce up to 6 million ounces this year before opening up additional unexplored areas.

Any expansion at the Lucky Friday would be a great benefit to Shoshone County. With 210 employees currently, the Lucky Friday is the second largest private-sector employer in Shoshone County. The capital investments could extend the mine's operating life and create dozens of high-paying jobs.

In addition, Hecla is considering the potential for new mines in the 40 square miles that it owns in the Silver Valley. This is the first time in 50 years that a generative exploration program has been conducted on those properties. Hecla President Phillips Baker Jr. believes that the Silver Valley is one of the most under-explored silver mining districts in the U.S. and wonders about the potential for discovering another Lucky Friday, Sunshine or Bunker Hill, three of the most productive mines ever.

- **New Business** — The Jackass Saloon opened after Christmas in the former remodeled Rio Bar in uptown Kellogg. Owners Gabe Nybo and Chris Trina moved to Kellogg after a 2002 ski trip to Silver Mountain that made them fall in love with the Silver Valley. The smoke-free bar is named for the old Jackass Ski Bowl, which became the Silver Mountain Resort after the gondola opened in 1990 and the ski terrain was significantly expanded. The bowl got its name from the legendary donkey that played a role in discovering the Bunker Hill mine when it wandered off in September 1885. The owner, Noah Kellogg, found it eating on an outcropping of galena which became the site of the Bunker Hill and Sullivan mines. Noah Kellogg and other prospectors of his era would have been astounded to find the smoke-free saloon that includes five 42-inch flat-screen televisions. They probably wouldn't be as surprised by the billiards table, mahogany bar and lounge area with a couch and fireplace.

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North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

EMPLOYMENT TRENDS

December's seasonally adjusted unemployment rate plunged four-tenths of a point from November to 3.9 percent. Trade and service hiring for the holiday season finally picked up although it was not as strong as it was one year earlier. Merchants reported opting to give permanent workers more hours during the 2006 holidays. Year-over-year unemployment was also down four-tenths of a percent from last December's rate of 4.3 percent.

SPECIAL TOPIC: Enrollment at Area Universities and Colleges

Roughly 800 students disappeared from the Palouse this spring after enrollment at the University of Idaho and Washington State University dipped. The universities each lost about 400 students since this time last year. The Moscow campus dropped from 10,578 students to 10,184 while the Pullman campus decreased from 17,335 to 16,929. The loss of students means each community will see a drop in everything from revenues to volunteers. Concerns over lost student resources have sparked discussions across both communities.

Dan Davenport, the University of Idaho's director of admissions, said the reasons for lower fall enrollment are still the same. According to Davenport, the improved economy is turning prospective students away from the classroom and towards work and paychecks. The rising costs of a university education can be a deterrent, too. While the student downturn is a concern to some, Davenport



The Administration Building, University of Idaho in Moscow.

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment Nez Perce County, Idaho and Asotin County, Washington

	Dec 2006*	Nov 2006	Dec 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	28,330	28,530	28,990	-0.7	-2.3
Unemployment	1,110	1,230	1,240	-9.8	-10.5
% of Labor Force Unemployed	3.9	4.3	4.3		
Total Employment	27,220	27,300	27,750	-0.3	-1.9
<i>Unadjusted</i>					
Civilian Labor Force	28,510	28,360	29,250	0.5	-2.5
Unemployment	1,140	1,170	1,260	-2.6	-9.5
% of Labor Force Unemployed	4.0	4.1	4.3		
Total Employment	27,370	27,190	27,990	0.7	-2.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS					
<i>Goods-Producing Industries</i>					
Natural Resources & Mining	270	270	190	0.0	42.1
Construction	1,150	1,210	1,310	-5.0	-12.2
Manufacturing	2,950	2,940	3,080	0.3	-4.2
Wood Product Manufacturing	560	550	550	1.8	1.8
Food Manufacturing	30	30	40	0.0	-25.0
Paper Manufacturing	1,080	1,090	1,110	-0.9	-2.7
Other Manufacturing	1,280	1,270	1,380	0.8	-7.2
<i>Service-Providing Industries</i>					
Trade, Transportation & Utilities	5,510	5,500	5,500	0.2	0.2
Wholesale Trade	630	640	670	-1.6	-6.0
Retail Trade	3,550	3,520	3,580	0.9	-0.8
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,240	1,250	1,160	-0.8	6.9
Information	450	450	460	0.0	-2.2
Financial Activities	1,810	1,820	1,890	-0.5	-4.2
Professional & Business Services	1,510	1,550	1,620	-2.6	-6.8
Education & Health Services	4,530	4,500	4,490	0.7	0.9
Leisure & Hospitality	2,370	2,370	2,500	0.0	-5.2
Other Services	1,040	1,050	1,130	-1.0	-8.0
Government Education	2,530	2,560	2,510	-1.2	0.8
Government Administration	2,100	2,110	1,990	-0.5	5.5
Government Tribes	660	660	750	0.0	-12.0

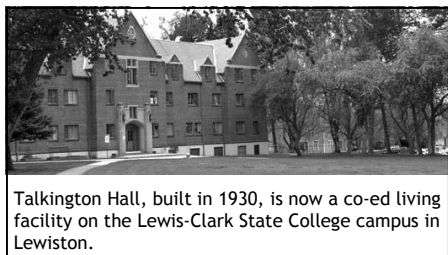
*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

said it is important to remember that Idaho's enrollment for fall 2005 included a record number of freshmen. Spring 2006 also was a record-setting semester for enrollment at Washington State. "Whenever you have a new record, it is always tough to better that record," Davenport said.

Enrollment at Lewis-Clark State College in Lewiston, however, showed the slightest increase — one student — to 3,234 for the spring

semester. "It does appear we had good fall-to-spring retention," said Dean of Student Services Andy Hanson. He is seeing increases



Talkington Hall, built in 1930, is now a co-ed living facility on the Lewis-Clark State College campus in Lewiston.

in part-time students, which is typical when the economy is strong and more people are working. "People still want to go to college, but they're interested in doing it on a part-time basis because they have good jobs and they don't want to give that up." Distance learning is also becoming more prevalent with 4.3 percent more students taking such courses than a year ago. More than 1,000 students are now studying via the Internet or video conferencing, according to the college.

AREA DEVELOPMENTS

CLEARWATER COUNTY

- Konkolville Lumber Co. near Orofino is being acquired by Tri-Pro Forest Products, which is owned by the Merritt family of Priest River. The deal includes Konkolville's sawing, drying and planing operations. Like Tri-Pro, Konkolville has been a family-operated company, founded in 1948 by Andrew Konkol. "Konkolville Lumber presents a natural extension of our high value products and services and is a good fit to Tri-Pro and our customers," said a company official. Konkolville Lumber is known for specialty products such as 1- to 2-inch thick laminated stock made from Douglas fir that is glued together to make arched beams for upper-end buildings like churches. The sawmill also makes products from cedar, grand fir, western larch and spruce. Tri-Pro is a leading producer of cedar products such as decking, siding, boards, patterns and trims. The Merritt family's other holdings include plants in Oldtown and Athol in Idaho and wholesale lumber trading companies in Boise and Portland, Ore.

IDAHO AND LEWIS COUNTIES

- Syringa General Hospital in Grangeville has been awarded \$45,800 to improve access to primary medical services in Idaho County. The money will help retain a family practice physician. The grant came from the Rural Health Care Access Program, which was established in 2000 to improve access to primary medical care and dental services in areas designated as having a shortage of primary care or dental health professionals. Challenges rural communities face in attracting and maintaining health care professionals are professional isolation, low reimbursement rates for health services and vulnerability to market and policy changes.

- St. Mary's Hospital and clinics in Cottonwood has received \$170,000 from the M.J. Murdock Charitable Trust to buy equipment to digitize X-ray and ultrasound images. That permits an image to be sent or stored electronically. The images will become part of each patient's electronic medical record. "Having our images stored electronically will mean we can send them over the phone lines to radiologists around the world for immediate readings," said Heath Fox, radiology manager for St. Mary's and Clearwater Valley hospitals. "With equipment purchased through this grant, we'll also be able to put a person's images on a compact disc so they can easily carry it to an appointment with a specialist."
- Judd DeBoer, president of Brown's Industries Inc., which owns the old mill site in Riggins, plans to build small cabins and several tourist-related businesses on the site to enhance Riggins' outdoor tourism reputation and add to its general economy. The DeBoer family owns the Best Western Salmon Rapids Lodge in Riggins and Brundage Mountain Resort in McCall. DeBoer said although his family business intends to make money over the long term, "we do have a real fond spot in our hearts for Riggins. We've been associated with Riggins well over 50 years so anything we would do down there we would do because we like to do something positive for Riggins." DeBoer's father-in-law, Warren Brown, bought the Salmon River sawmill in the 1950s and operated it until the DeBoer family bought the property in 1980. About a year later, the mill burned to the ground and was never rebuilt. The loss of the town's major industry threw Riggins into a tailspin until townspeople began to capitalize on salmon and steelhead fishing, kayaking, rafting and jet boating.

LATAH COUNTY

- The newest research center at the University of Idaho isn't so new at all. The Palouse Research, Extension and Education Center combines four long-established farms and their programs in plant and animal research under a central administrator. "The idea was to bring everything together to better coordinate the plant and animal research activities that we have ongoing and to improve some efficiency in our operations," said Donn Thill who is the new administrator. The center's components include the H.C. Manis Entomology Research Laboratory, the Sixth Street greenhouse facility and the Idaho Foundation Seed program. There also is a groundwater research area, aquaculture laboratory and forest nursery, which are operated by other colleges of the universities. Thill said he hopes the shared organizational structure of the center will improve the efficiency of the farms' finances and their staffing.

NEZ PERCE AND ASOTIN COUNTIES

- A new clinic for military veterans is tentatively scheduled to open in Lewiston later this year. It will operate five days a week, replacing the current two-day-a-month clinic, said Larry Werst of the Walla Walla Veterans Affairs office. The clinic will provide primary medical and mental health care for veterans in Lewiston and surrounding counties.
- Twin City Foods, a Lewiston pea processor, is permanently closing its vegetable processing operations in Lewiston, said Mike Weiss, plant manager of the Lewiston division of Twin City Foods. The announcement ends two years of waiting, which started when all but a skeleton crew was laid off after the 2004 harvest. Twin City Foods blamed the closure on bumper crops in 2003 and 2004 in combination with a reduction in consumer demand. Rather than eating home-cooked meals with meat, potatoes and vegetables, more families are buying take-out food or prepackaged dinners at grocery stores, Weiss said. Twin City Foods has no immediate plans to sell the property and is continuing to

evaluate the site's value to the company. Others affected by the closure are about 30 north central Idaho and southeastern Washington farmers, who grew peas for Twin City Foods and about 200 seasonal employees.

- Potlatch Corp. will eliminate 37 jobs from its resource group, including 20 in Idaho. Most of the employees who were cut in Idaho worked in north central Idaho, said Matt Van Vleet, Potlatch's Lewiston spokesman. Potlatch is the largest private land owner in Idaho with 670,000 acres. The changes are part of a plan to restructure the resource group that monitors the growth of trees on Potlatch land and schedules treatments and harvests, Van Vleet said. The reorganization puts employees with expertise in areas such as forestry and wildlife management into a single management group.

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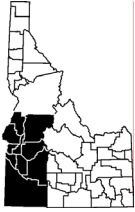
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Southwestern Idaho News

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY & WASHINGTON COUNTIES

ECONOMIC TRENDS

December's seasonally adjusted unemployment rate for the Boise-Nampa Metropolitan Statistical Area declined a tenth of a percentage point, returning to October's 2.8 percent in part because the last of the holiday retail hiring wasn't recorded until December. The decrease followed a slight increase in November, which followed three straight months of declining unemployment. December's rate was two-tenths of a percentage point below December 2005's seemingly rock bottom 3 percent. Over 9,000 more people were employed last December than the same month a year earlier.

Despite the monthly drop in the unemployment rate, total nonfarm jobs fell by 100 in December. Goods-producing jobs increased by 100 due to strong manufacturing that countered job losses as cold weather set in on the construction sector. The service sector lost 200 jobs as some seasonal government positions disappeared. Despite the slight decline in nonfarm employment in December, the year-over-year gain in jobs was a robust 5.6 percent, adding 14,700 new jobs in the

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	197,569	4,906	2.5	192,663
Adams	1,972	162	8.2	1,810
Boise	3,830	117	3.0	3,713
Canyon	82,842	2,943	3.6	79,899
Elmore	10,948	428	3.9	10,520
Gem	7,798	298	3.8	7,499
Owyhee	5,453	80	1.5	5,373
Payette	10,410	496	4.8	9,914
Valley	5,008	222	4.4	4,786
Washington	5,223	250	4.8	4,973
Statewide	761,348	24,733	3.2	736,615

Southwestern Idaho Table 1: Boise City-Nampa MSA Labor Force & Employment (Ada, Canyon, Boise, Gem and Owyhee counties)

	Dec 2006*	Nov 2006	Dec 2005	% Change Last Month	% Change Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	297,400	299,200	288,600	-0.6	3.0
Unemployment	8,300	8,600	8,600	-3.5	-3.5
% of Labor Force Unemployed	2.8	2.9	3.0		
Total Employment	289,100	290,600	280,000	-0.5	3.3
<i>Unadjusted</i>					
Civilian Labor Force	297,800	298,900	290,000	-0.4	2.7
Unemployment	7,900	8,300	7,900	-4.8	0.0
% of Labor Force Unemployed	2.6	2.8	2.7		
Total Employment	289,900	290,600	282,100	-0.2	2.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	276,000	276,100	261,300	0.0	5.6
GOODS-PRODUCING INDUSTRIES	55,400	55,300	52,500	0.2	5.5
<i>Natural Resources & Construction</i>	24,100	24,300	22,100	-0.8	9.0
Construction	23,800	24,000	21,700	-0.8	9.7
<i>Manufacturing</i>	31,300	31,000	30,400	1.0	3.0
Durable Goods	24,800	24,500	24,100	1.2	2.9
Wood Product Manufacturing	2,600	2,700	2,300	-3.7	13.0
Fabricated Metal Products Mfg.	1,600	1,600	1,500	0.0	6.7
Machinery Manufacturing	1,200	1,200	1,200	0.0	0.0
Computer & Electronic Manufacturing	14,400	14,200	14,300	1.4	0.7
Transportation Equipment Mfg.	2,300	2,300	2,200	0.0	4.5
Other Durable Goods	2,700	2,500	2,600	8.0	3.8
Nondurable Goods	6,500	6,500	6,300	0.0	3.2
Food Manufacturing	4,400	4,400	4,400	0.0	0.0
Printing & Related Support Activities	700	700	700	0.0	0.0
Other Nondurable Goods	1,400	1,400	1,200	0.0	16.7
SERVICE-PROVIDING INDUSTRIES	220,600	220,800	208,800	-0.1	5.7
<i>Trade, Transportation, & Utilities</i>	55,400	55,200	51,700	0.4	7.2
Trade	47,500	47,400	44,500	0.2	6.7
Wholesale Trade	12,500	12,500	11,900	0.0	5.0
Wholesalers, Durable Goods	7,400	7,500	7,300	-1.3	1.4
Wholesalers, Nondurable Goods	3,600	3,600	3,600	0.0	0.0
Retail Trade	35,000	34,900	32,600	0.3	7.4
Food & Beverage Stores	4,600	4,600	4,600	0.0	0.0
General Merchandise Stores	7,200	7,100	6,900	1.4	4.3
All Other Retail Trade	23,200	23,200	21,100	0.0	10.0
Transportation, Warehousing, & Utilities	7,900	7,800	7,200	1.3	9.7
Utilities	600	600	600	0.0	0.0
Transportation & Warehousing	7,300	7,200	6,600	1.4	10.6
<i>Information</i>	5,400	5,400	5,500	0.0	-1.8
Telecommunications	1,500	1,500	2,400	0.0	-37.5
<i>Financial Activities</i>	14,900	14,700	13,800	1.4	8.0
Finance & Insurance	10,300	10,300	9,700	0.0	6.2
Real Estate & Rental & Leasing	4,600	4,400	4,100	4.5	12.2
<i>Professional & Business Services</i>	38,800	39,000	37,400	-0.5	3.7
Professional, Scientific, & Technical	11,300	11,300	11,200	0.0	0.9
Management of Companies & Ent.	5,700	5,800	5,700	-1.7	0.0
Administrative & Support & Waste Mgmt.	21,800	21,900	20,500	-0.5	6.3
<i>Educational & Health Services</i>	32,900	32,800	31,600	0.3	4.1
Educational Services	3,300	3,300	2,900	0.0	13.8
Health Care & Social Assistance	29,600	29,500	28,700	0.3	3.1
Hospitals	9,600	9,600	9,200	0.0	4.3
<i>Leisure & Hospitality</i>	23,000	23,200	22,600	-0.9	1.8
Arts, Entertainment, & Recreation	3,000	3,100	2,900	-3.2	3.4
Accommodation & Food Services	20,000	20,100	19,700	-0.5	1.5
Accommodation	1,900	2,000	2,100	-5.0	-9.5
Food Services & Drinking Places	18,100	18,100	17,600	0.0	2.8
<i>Other Services</i>	7,200	7,200	6,300	0.0	14.3
<i>Total Government</i>	43,000	43,300	39,900	-0.7	7.8
Federal Government	5,700	5,700	5,700	0.0	0.0
State & Local Government	37,300	37,600	34,200	-0.8	9.1
State Government	13,900	14,000	13,400	-0.7	3.7
State Government Education	4,800	4,900	4,800	-2.0	0.0
State Government Administration	9,100	9,100	8,600	0.0	5.8
Local Government	23,400	23,600	20,800	-0.8	12.5
Local Government Education	15,000	15,000	12,700	0.0	18.1
Local Government Administration	8,400	8,600	8,100	-2.3	3.7

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Boise-Nampa area. The region has exceeded 275,000 jobs for three consecutive months. The December 2006 labor force figures for all 10 counties in southwestern Idaho are shown in Table 2 on page 14.

AREA DEVELOPMENTS

BOISE METROPOLITAN AREA

- Canadian-based XL Foods Inc. has recently reopened the shuttered Swift meat processing plant in Nampa. During the summer of 2005 Swift closed that facility, and 400 people lost their jobs. News that XL Foods was hiring created a lot of interest from former employees of both Swift and Tyson foods, which also recently closed. XL Foods is using only about a quarter of the facility's capacity, but the company intends to increase to 1,200 the number of cattle processed per day and hire more employees in the near future. Once running at full capacity, the new processing plant will have replaced the jobs lost from the Swift closure and will infuse millions of dollars in payroll as well as additional industrial property taxes into Nampa's economy.
- Sierra Trading Post, primarily a catalog and online retailer of name brand clothing and outdoor gear, recently held its grand opening in Meridian. The 25,000-square-foot Meridian store is the fourth retail location for Sierra Trading Post and is the latest nationally-known retailer to open a store in southwestern Idaho.
- The Micron Technology Foundation has donated \$12.5 million to Boise State University to help cover the costs of building a new home for the school's College of Business and Economics. With increasing enrollments and demand for its programs, Boise State is in an expansion mode in several other colleges, most notably nursing and applied technology.
- The Idaho State Board of Education has granted Boise State University permission to begin the much-publicized football stadium expansion project. The expansion will add luxury suites, a new press box, club seats and loge boxes at a total cost of \$36 million, financed by bonds and money from the athletic department. Boise State expects construction completed in time for the 2008 football season.
- Image National Inc. with a payroll of 100 has completed its relocation from Boise to Nampa. The firm had outgrown its current location and found an existing facility, the former Aluma Glass building, which was more suitable. Image National makes large electrical signs for businesses nationwide and serves customers such as Albertson's and Eddie Bauer.
- The Idaho Nursing Workforce Center at Boise State University has reported that Idaho is 48th in the na-

tion in the number of nurses per capita, underscoring the shortage of nurses statewide and especially in southwestern Idaho due to the rapidly expanding population. One major obstacle in solving the nursing shortage is a lack of instructors because most can make considerably more money working as nurses rather than teaching. The shortage is being addressed through a joint venture between Idaho State University and Boise State University. Starting this fall, Boise State will offer the same master's of nursing degree that Idaho State already offers. Students can take the classes at either school, and even a few online classes will be offered. The universities hope this joint venture will turn out more nursing instructors, who are required to have a master's degree to teach in the nursing programs.

- Nampa's population is now just under 80,000, according to a consulting firm hired by the city fire department assess population for fire protection reasons. At 79,819 people, this represents a 4.5 percent increase from one year ago when Nampa registered 76,343 residents. Over the same time period, the city's labor force grew by 3.2 percent, suggesting larger families and retirees are making up a larger portion of the population increase.
- Another large national retailer is set to open in Nampa at the Treasure Valley Marketplace. Best Buy has scheduled its store opening for March 23. This will be the second store for Best Buy in southwestern Idaho. The new 30,000-square-foot Best Buy will employ 100 people.

ELMORE COUNTY

- Marathon Cheese is now operating with 35 employees slicing and packaging cheese for Tillamook Cheese Co. The Marathon facility has 15 available production lines but is starting out on just five. Marathon has indicated that within the next 12 months it would like to have 100 people on the payroll.
- Mountain Home Auto Ranch recently bought the former Kmart Building and surrounding land near Interstate 84 in Mountain Home. The dealership plans to move in over the next several months, adding up to 12 more employees. Long-term, the Auto Ranch is planning a significant expansion.
- Due to the quickly growing population and number of new businesses in southwestern and south central Idaho, Idaho Power Co. is planning a \$60 million expansion of the Evander Andrews gas turbine power plant. This facility is just northeast of Mountain Home. The expansion, which consists of adding a 170 megawatt turbine to the existing pair of 45 megawatt turbines, is scheduled to come online sometime during 2008.

- The city of Mountain Home was awarded a \$25,000 grant by Capital Matrix, a nonprofit community economic development advocate, for improvements at a city industrial park.
The Mountain Home Rural Fire Protection District also received a \$261,250 grant from the organization. The district plans to use the money for a new fire truck that is expected to cost \$275,000.
- Under the Base Realignment and Closure plan of 2005, the Mountain Home Air Force Base was scheduled to replace its F-16J fighters with F-15Es between 2009 and 2011. Mountain Home will be receiving these aircraft from Elmendorf Air Force Base. The Air Force recently decided to move up the timeline, and the first of the F-15E's has already arrived in Mountain Home with the rest scheduled to be there by fall. Once all the changes in personnel are made, it is estimated that the base will lose approximately 400 people. However, it is possible the base will gain some of those back should the Singapore Royal Air Force be allowed to come to Idaho and train with Mountain Home airmen.

PAYETTE COUNTY

- The city of New Plymouth has received a \$500,000 grant from the Idaho Transportation Department to replace curbs, lights, sidewalks and gutters as well as repave a short stretch of U.S. Highway 30. The city will provide a 10 percent match.

VALLEY COUNTY

- In an effort to find affordable housing for its employees, Tamarack Resort has purchased enough hous-

ing in the Meadows at West Mountain subdivision for more than 275 workers. The housing can accommodate individuals, who do not want to live in dormitory-style units, couples or families. A Tamarack bus shuttles the workers to and from work.

WASHINGTON COUNTY

- Weiser Memorial Hospital recently received a \$50,000 grant from the R.K. Mellon Family Foundation to buy equipment for the laboratory, surgery department, nursing department and the cardio-pulmonary department.
- The city of Cambridge has a new restaurant. Mrs. G's recently opened in a long-vacant location on U.S. Highway 95. The new restaurant has been completely remodeled and has a large room which can be used for meetings or other occasions.

ADAMS COUNTY

- Council Mountain Fabrication has opened in the Council Mountain Business Park. Certified welder Rick Cook offers MEG, TIG and Stick welding. Council's newest business does everything from custom fabrication jobs to equipment repair.

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ATTENTION IDAHO FARM WORKERS

State and federal laws require most farm labor contractors to:

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- Provide access to sanitary drinking water, bathrooms and facilities for washing hands;
- Make sure any housing that is provided meets federal and state safety and health standards.

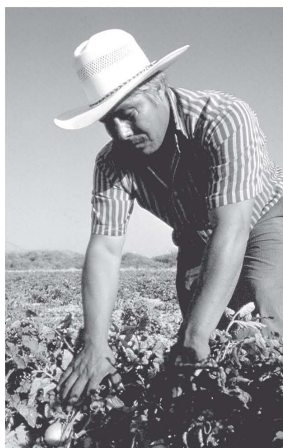
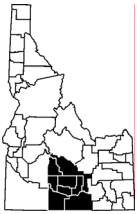


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Craig Soelberg,
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South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

Apparently, the ground hog did see his shadow this year, but the weather has not followed the urban myth. The days are getting longer, and there is sunshine and even balmy temperatures at times. Spring fever has hit south central Idaho, and although the work force numbers are indicative of a colder month, optimism is sprouting. Who wouldn't be optimistic with the high percentage of workers on the job in area communities and the commercial construction that is continuing in the region? There is that nagging concern of employers who seek workers with hard and soft skills in a market where most people already have jobs, but that is a much better problem than high unemployment, a lack of opportunities or stagnant growth. The labor scarcity will be resolved with creativity, research and discipline. Area employers cannot match the benefit packages put together by corporate giants like California-based Google.com which pampers its 10,000 employees with such perks as 11 themed cafes providing organic produce, hormone-free meats and other specialty foods. But even without a huge work force, companies are still interested in staying in south central Idaho for the quality of life and the lower cost of doing business. Companies are not only interested in staying in the region but expanding. Companies continue "kicking the tires" as they look for places to relocate. The region has challenges, but a cadre of economic development professionals, cooperative educational programs and local business people have been working together to make growth happen.

UNEMPLOYMENT RATE

The December unemployment rate for the Twin Falls-Jerome Micropolitan Statistical Area increased just one-tenth of a percentage point from November to 3 percent. The construction sector experienced significantly fewer layoffs over the year and finished with 24.6 percent more workers than in December 2005. This is partly due to the extra labor needed to build the new Church of Jesus Christ of Latter-day Saints temple in Twin Falls, which broke ground in mid-April.

Builders who prepared for winter by ensuring structures were enclosed enough so

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Dec 2006*	Nov 2006	Dec 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	49,900	50,260	47,610	-0.7	4.8
Unemployment	1,520	1,460	1,550	4.1	-1.9
% of Labor Force Unemployed	3.0	2.9	3.3		
Total Employment	48,380	48,800	46,060	-0.9	5.0
<i>Unadjusted</i>					
Civilian Labor Force	50,010	50,410	47,900	-0.8	4.4
Unemployment	1,480	1,390	1,470	6.5	0.7
% of Labor Force Unemployed	3.0	2.8	3.1		
Total Employment	48,530	49,020	46,430	-1.0	4.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	40,420	40,510	38,420	-0.2	5.2
<i>Goods-Providing Industries</i>	7,390	7,190	6,360	2.8	16.2
Natural Resources & Mining	40	40	30	0.0	33.3
Construction	2,530	2,500	2,030	1.2	24.6
Manufacturing	4,820	4,650	4,300	3.7	12.1
Food Manufacturing	2,610	2,460	2,480	6.1	5.2
Other Manufacturing	2,190	2,180	1,820	0.5	20.3
<i>Service-Providing Industries</i>	33,030	33,320	32,060	-0.9	3.0
Trade, Transportation & Utilities	10,260	10,370	9,940	-1.1	3.2
Wholesale Trade	1,870	1,840	1,830	1.6	2.2
Retail Trade	5,960	6,090	5,730	-2.1	4.0
Utilities	170	170	150	0.0	13.3
Transportation & Warehousing	2,260	2,270	2,230	-0.4	1.3
Information	600	620	600	-3.2	0.0
Financial Activities	1,660	1,660	1,730	0.0	-4.0
Professional & Business Services	5,030	5,220	5,110	-3.6	-1.6
Educational & Health Services	3,520	3,510	3,350	0.3	5.1
Leisure & Hospitality	3,220	3,200	2,910	0.6	10.7
Other Services	1,430	1,410	1,330	1.4	7.5
Government Education	3,320	3,360	3,290	-1.2	0.9
Government Administration	3,990	3,970	3,800	0.5	5.0

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

skilled trades could continue to work during the cold weather also contributed to the increase.

TWIN FALLS

- One of Twin Falls long-time employers, Longview Fibre, was bought by an investment company, Brookfield Asset Management Inc. of Toronto, Canada, for \$1.6 billion and the assumption of \$518 million in debt. There are no immediate plans to close or downsize Longview Fibre's

pulp and paper mill in Longview, Wash., or its 15 corrugated container plants in 12 states, including the Twin Falls site, according to company officials. "We already manage 2 million acres of timberlands in North and South America, including 635,000 acres on the British Columbia west coast proximate to Longview's timberlands in the Pacific Northwest. The acquisition of Longview's timberlands will significantly expand our timberland asset management operations and solidify our position as the fourth largest owner/manager of timberlands in North America by value," said Sam Pollock, managing partner of Brookfield. The Twin Falls plant manufactures containers primarily for companies within a 150-mile radius, although one of its largest clients is Amazon.com in Reno, Nev. The Twin Falls plant is a union shop and has been a very stable employer since 1971 with relatively insignificant labor turnover and higher-than-average wages for the region. This transaction is subject to approval by Longview Fibre shareholders and other conditions.

- Jayco Trailers continues work on its facility expansion. Equipment will be moved into both new facilities in mid-March with workers starting their shifts in mid-April in the first building and late April in the second. With the expansion, Jayco can continue building the Jay Flight travel trailer in lengths from 29 feet to 33 feet in 14 different floor plans and the JTX series travel trailer in three different floor plans. The expansion will ramp up the Jayco work force by approximately 145 to over 300 employees total.
- The College of Southern Idaho is awaiting state legislative approval of \$21 million for a new nursing building and expanded nursing program. According to college officials, prospects for approval are high. The expanded program should increase the number of registered nursing graduates by 25 percent in 2009. The college will graduate 180 this year. Expanding its health care program has been a focus of the college because of the highly publicized nursing crisis in Idaho and nationwide as aging baby boomers continue to need additional health care.
- Construction continues on Poleline Road. There have been announcements of future projects including several franchise restaurants, the Hilton Garden Inn and Ameritel Inn. Both hotels are being developed by a Boise-based hospitality group, Ameritel Inns Inc. The company is run by Glen Black and his family, who have been developing and managing hospitality properties for over 30 years. They currently own and manage properties in Idaho, Utah, Washington, Oregon and Nevada. These properties will work together with existing retail and restaurants in and around the mall along with a nearby Wal-Mart that will start construction in April. The new St. Luke's Magic Valley Regional Medical Center will also bring construction jobs in 2007 not only for the hospital but also for the development of complementary medical office space.

MINIDOKA AND CASSIA COUNTIES

- Ground was broken for the new ethanol plant on 177 acres west of Burley. The company, Pacific Ethanol, plans to be operating within the year using corn from local growers. The property has direct access to both the Union Pacific Railroad and Interstate 84. The by-product of the process, wet distiller's grain, will be shipped to local dairies and feedlots for use as feed. The plant location was chosen for dual reasons — the proximity to Salt Lake City and Boise as fuel markets, and the convenience of the livestock population for disposing of the by-product. The company identified the area's 300,000 dairy cattle and 100,000 feedlot cattle as sufficient population to use the by-product. If the plant had been located in the Midwest, an additional process of drying the wet distiller's grain would have been necessary prior to shipping. The plant will employ up to approximately 50 workers with an average annual payroll of \$1.5 million.
- Dr. Ron Christensen has opened a new chiropractic office in Burley. He is the sole practitioner with an administrative support staff to assist with patients.
- Renova Energy, which operates Wyoming Ethanol LLC in Torrington, Wyo., is building an ethanol plant in Heyburn that will employ 25 and produce 20 million gallons of ethanol per year.

BLAINE COUNTY

- After 17 years and four attempts, voters approved a \$10.46 million bond to build a new jail and law enforcement complex in Hailey at the Airport West light industrial park. The complex will house 44 prisoners and 20 work-release inmates and will provide space for a sheriff's office and a county dispatch center. This bond will cost the average property owner about \$8 a year. Construction will cost \$13 million with the county providing \$2 million that has been set aside for that purpose. Blaine County officials plan to start construction in early May.
- The Sun Valley Co. has announced plans to replace the oldest chair lift at the ski resort and expand to include more runs.
- Chateau Drug, a landmark business in Giacobbi Square in the heart of Ketchum, has been sold to California businessman Ken Sangha. The drugstore originally opened in 1970 and survived a fire in 1983 as well as changes to the ownership and to the mix of merchandise over the years. Keith Anderson has been the constant since opening the drug store in 1970. Anderson, along with his current partners, Gene Steiner and Don Leonard, believes the current staff will be retained and some updating to the drugstore may occur.

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Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

The Pocatello Metropolitan Statistical Area's unemployment rate crept up a tenth of a percentage point to 3.5 percent from December 2005 to December 2006. The increase mirrored the one for Bannock County. The rate dipped year-over-year for all the other area counties except Oneida, which maintained an enviable 2 percent unemployment rate. See Southeastern Idaho Table 2 for other county rates.

Year-over-year, the work force in Bannock County grew from 45,370 to 46,200 in December of 2006. The increase of 450 workers, partially attributed to holiday hiring, accompanied the addition of 90 workers to the jobless rolls as workers returned from seasonal jobs out of the area in construction, fishing and oil exploration. This fluctuation of seasonal workers counters some recent concern about the continued availability of workers in the southeastern part of the state. If workers leave the area periodically because they are part of the underemployed work force, they most likely would stay in the area permanently if they found suitable jobs.

SPECIAL TOPIC: Economic Indicators

What are economic indicators and why are they important? An economic

**Southeastern Idaho Table 2: November 2006
Seasonally Adjusted Unemployment Rates
for Southeastern Idaho Counties**

	% Dec 2005	% Dec 2006
Bannock	3.5	3.4
Bear Lake	3.7	2.8
Bingham	3.5	3.1
Caribou	5.0	4.1
Franklin	3.	2.8
Oneida	2.0	2.0
Power	4.7	4.6
Statewide	3.5	3.4

**Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment
Bannock and Power counties**

	Dec 2006*	Nov 2006	Dec 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	46,200	45,750	45,370	1.0	1.8
Unemployment	1,630	1,640	1,540	-0.6	5.8
% of Labor Force Unemployed	3.5	3.6	3.4		
Total Employment	44,570	44,110	43,830	1.0	1.7
<i>Unadjusted</i>					
Civilian Labor Force	45,980	46,050	45,320	-0.2	1.5
Unemployment	1,600	1,590	1,480	0.6	8.1
% of Labor Force Unemployed	3.5	3.5	3.3		
Total Employment	44,380	44,460	43,840	-0.2	1.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS					
<i>Goods-Producing Industries</i>	6,060	6,200	5,660	-2.3	7.1
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	2,570	2,690	2,220	-4.5	15.8
Manufacturing	3,460	3,480	3,410	-0.6	1.5
Food Manufacturing	1,290	1,280	1,020	0.8	26.5
Fabricated Metal Product Manufacturing	160	160	160	0.0	0.0
Machinery Manufacturing	220	230	110	-4.3	100.0
Other Manufacturing	1,790	1,810	2,120	-1.1	-15.6
<i>Service-Providing Industries</i>	34,700	34,680	33,880	0.1	2.4
Trade, Transportation & Utilities	7,990	7,880	7,700	1.4	3.8
Wholesale Trade	1,420	1,400	1,360	1.4	4.4
Retail Trade	5,090	5,000	4,830	1.8	5.4
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,430	1,430	1,460	0.0	-2.1
Information	750	770	740	-2.6	1.4
Financial Activities	2,180	2,170	2,100	0.5	3.8
Professional & Business Services	5,280	5,250	4,960	0.6	6.5
Educational & Health Services	3,510	3,490	3,460	0.6	1.4
Leisure & Hospitality	3,280	3,270	3,460	0.3	-5.2
Other Services	1,240	1,240	1,160	0.0	6.9
Government Education	5,870	6,100	5,950	-3.8	-1.3
Government Administration	4,600	4,510	4,350	2.0	5.7

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

indicator can be any economic statistic, which is used to explain how the economy is doing or how the economy is expected to do in the future. The concept seems easy to define, but actual events are not as easily recognized and identified as one might expect.

Economic indicators are characterized by timing, relationship and frequency of data evaluation. First is timing. Economic indicators can be classified as leading, lagging or coincident to how the economy is performing. A leading indicator is something that changes before the economy changes and is often used to predict how the economy will

do in the future. Stock market returns are often considered a leading indicator. A lagging economic indicator is one that does not change until after the economy changes. The unemployment rate is a lagging indicator because it quantifies what has already happened. A coincident economic indicator moves at the same time and in the same direction as the economy. The gross domestic product, which measures current value of goods and services, is a good example.

Relationships among these indicators are most often defined as procyclic and countercyclic. A procyclic indicator moves in the same direction as the economy like gross domestic product. A countercyclic indicator moves in the opposite direction like the unemployment rate, which gets smaller as the economy gets better.

Finally the frequency of the data is a major consideration. Some economic indicators like the gross domestic product are released quarterly. Others like the Dow Jones Index are released every minute. The time frame the indicator measures must be recognized before developing any conclusions about future expectations.

The 10 components of the economy used by the Conference Board for its leading indicator index are average weekly initial unemployment insurance claims, building permits, the interest rate spread, average weekly manufacturing hours, index of consumer expectations, real money supply, vendor performance, stock prices, manufacturers' new orders for nondefense capital goods and manufacturers' new orders for consumer goods and materials.

Commonly evaluated economic indicators for the state of Idaho and their sources are the gross state product, per capita and personal income provided by the U.S. Bureau of Economic Analysis; general fund revenues provided by the Idaho Division of Financial Management; business growth from the Idaho Secretary of State and job growth and number of people working provided by Idaho Commerce & Labor.

AREA UPDATES

True to the philosophy that everything is connected, many events that occur in one county will affect the economy of a neighboring county or perhaps the entire region. In January it seemed many such occurrences took place in southeastern Idaho. It is not possible to predict the exact outcome of these events, but some are worth noting.

- Hawaii-based energy company, Hoku Scientific, announced it will build a \$220 million polysilicon manufacturing plant in Pocatello. The plant building is slated for completion in late 2008 and is

expected to create many construction-related jobs. Approximately 200 full time positions will be needed to operate the facility, and other ancillary business may be relocated close to Hoku. It will most likely affect every county in southeastern Idaho.

- For the first time in 15 years gas and oil exploration permit applications for the southeastern part of the state have been filed with the U.S. Bureau of Land Management's Boise office. As of January 2006, neighboring Wyoming had issued nearly 20,000 leases, and about \$400 million in royalties have been paid to the state. The passage of the August 2005 Energy Policy Act and higher oil prices are believed to be the catalyst for the Idaho permit requests. Public hearings and an environmental impact analysis will take about a year and a half. Debates are anticipated between those concerned with keeping public lands preserved in their natural state and those wanting to develop natural resources for economic gain.
- Tourism, agricultural interests and life style issues in southeastern Idaho will all be affected by the Bureau of Land Management's Resource and Environmental Plan being formulated for about 12 percent of the region's land. The plan will address a wide range of topics such as riparian zones, mining reclamation, fire treatment, managing off-highway vehicles, the Oneida Narrows, disposal of land, containment and control of selenium, mining reclamation and sage grouse populations. Public meetings have already taken place around the region in February, and BLM officials are encouraging citizens to let their thoughts and concerns be known.
- Boise State University's football victory in the 2007 Fiesta Bowl has had a positive impact on the economy of southeastern Idaho as well as other parts of the state. The prime-time exposure Idaho garnered on national television would have been nearly impossible to buy. The Boise Police Department is taking advantage of the exposure in its successful recruiting campaign, using the slogan "The team you want, the city you'll love!" Inquiries from out-of-state entities regarding economic development possibilities have increased as has interest in Boise State graduate programs.

COUNTY DEVELOPMENTS

BANNOCK COUNTY

- In addition to the announcement that Hoku Scientific is planning to locate in the area, local officials were encouraged when former Gov. Jim Risch an-

nounced a \$2 million loan from the state to assist in developing the “Rabbit,” the name given to a facility producing isotopes for research involving shorter irradiation times than current reactor operations provide. Several companies have indicated interested in locating near such a facility including IsoRay Medical, which uses radioactive isotopes in treating cancer.

- A new College of Technology research center is scheduled to open this fall at Idaho State University. The college will offer three associate degrees in energy-related engineering. The Energy Systems Technology and Education Center is primarily funded by a \$2 million U.S. Department of Labor grant to offset a growing shortage of energy system technicians. Program Director Scott Rasmussen said there will be 20 positions available next fall for students seeking associate degrees in instrumentation and control. An electrical engineering program will begin next year, and mechanical engineering will be added in 2009.
- The city of Chubbuck is pursuing seed money from the Department of Environmental Quality to help pay for the installation of a sewer line to accommodate growth in the northern part of Bannock County. If the project goes forward, builders will be required to pay a substantial fee to connect to the system. The fee probably will be similar to the current fee of \$2,250 that was phased in during 2006. There were 24 permits filed in August, 113 permits in September, 10 in October and 17 in November. During 2006 the city of Chubbuck issued 281 permits, 41 more than in 2005.
- In response to concerns expressed by local businesses, Chubbuck officials are considering implementing a permit program for temporary business operations such as Christmas tree lots, sidewalk sales, parking lot sales, outdoor festivals, storage containers and mobile food vendors. Most concerns were based on a desire to establish similar fees for all businesses and make a determination as to how long a business could avoid a permit fee by claiming to be temporary.
- Clarion Associates was hired last fall to help update Bannock County’s comprehensive plan. As part of its strategy for identifying good and bad things about the county, Clarion asked Highland and Marsh Valley high school students to spend part of a civics class photographing examples of positive and negative elements in the area. The students provided brief explanations about each photo to a 15-member citizens advisory commit-

tee. Clarion officials said the visuals have proven to be a good starting point for communities to identify priorities.

- Big Sky Airlines plans to discontinue service to the Pocatello Regional Airport. The Billings, Mont.-based company said it has been losing money on the Pocatello-to-Boise flight. Local officials are talking to several other airlines and are confident of finding one that can serve the Pocatello-to-Boise route as well as provide good connections to other flights from Boise.
- PJ’s Barbeque reopened in January after remodeling. The business, owned and operated by Pete Otto, offers a unique array of South African sausages and traditional dishes like Frikkadelle, a seasoned meatloaf dish and Vetkoed, which is a type of scone.
- Often businesses interested in moving to southeastern Idaho say the quality of life and clean environment are major considerations. That interest and the desire to conserve energy brought the cities of Chubbuck and Pocatello together to discuss light pollution and implement “dark sky: ordinances to curb light reflected on the night skies. Previously the cities installed some sodium lights designed to reflect toward the ground, and some incandescent lights have been converted to LED lights. But only recently have lighting ordinances been proposed.

POWER AND BINGHAM COUNTIES

- Bingham County commissioners were busy again this month evaluating preliminary plats for subdivisions. An extension was granted for the second month in a row to Future of Idaho for plat approval of 27.77 acres in the Groveland area because of uncertain city water and sewer services. The 44-lot Sharply Park subdivision, originally platted as a 66-lot development and called Country Garden, was approved with the understanding that residents must be required to connect to a sewer line when one becomes available.
- The surge in building permits being approved by Blackfoot County has not gone unnoticed by the Snake River School District. Based on 10-year enrollment trends, school officials have been projecting decreasing enrollment. Countywide, however, there has been a 23.6 percent increase in pre-schoolers and a 9.4 percent increase in the 5- to 15-year-olds. How that growth will impact each school district is not as easy to forecast because of uncertainty over which schools these children will attend.

- Cheese processor Sartori Foods and the city of Blackfoot received a \$500,000 community development block grant from Idaho Commerce & Labor. The grant will be used to make improvements to the city water system, which will allow Sartori to begin a \$3.3 million expansion, creating 26 more jobs at the plant.
- Underground Apparel, owned and operated by Anthony Yancey and Shane Bolinder, opened for business a couple of months ago but chose to wait for an official ribbon cutting until February. The owners located in downtown Blackfoot because they believe recent improvements add viability to the shopping area. The store specializes in many styles of brand name clothing not found in other Blackfoot stores.
- Bingham Memorial Hospital celebrated the opening of a new \$200,000 birthing center, which allowed consolidation of many needed services in one location. The rooms are large and decorated to create a home-like atmosphere.
- More than 3,300 Bingham County residents signed petitions calling for a special election to form a county-wide mosquito abatement district. Bingham County was one of the most affected by West Nile virus last summer, and citizens are anxious to start an eradication program as soon as possible. Once the necessary 1,500 signatures are verified, an election will be scheduled, most likely in May.
- The American Falls City Council discussed the possibility of constructing a seawall in the area of the American Falls marina. The seawall will most likely be built next year to slow erosion and make a beach more accessible to swimmers and boaters. The estimated cost for the final project is nearly \$450,000 with an initial cost for engineering reviews and environmental assessments of about \$23,000.

FRANKLIN COUNTY

- Construction has begun on a new fire station in the Dayton area. The nearly 5,000-square-foot building is expected to be finished late this year. It will have three bays and house a 1,000 gallon pump truck, a mini-pump truck and a brush truck. The new station is the second of four the fire commissioners committed to build when the district was formed. Response time to fires should be reduced by up to 20 minutes. Residents in the area should notify their insurance companies to see if the location of the new station will reduce their home insurance rates.
- Franklin County is experiencing unprecedented growth in new housing. Many new home developers

are from out of state and are selling homes to people moving from large cities in search of a more relaxed life style. The Franklin County commissioners approved a 182-day moratorium on all planned multi-home developments within the county so the Planning and Zoning Board can update building ordinances that will ensure infrastructure, health and environmental concerns are addressed.

- Worldwide demand for mink is at an all-time high, and production is booming in Franklin County. One of the region's top producers is Kent Beckstead of Lehi, Utah, and he is moving one of his three farms to the county. The operation will consist of 18 to 20 mink sheds for approximately 4,000 mahogany or dark mink. The farm will have a payroll of \$60,000 to \$70,000 a year. Most of the pelts produced in America are shipped to China or Russia. Because of the high quality of the American-produced pelts, they generally sell at a 30 percent premium.
- Westside High School will soon begin construction of a new track thanks to the efforts of a four-person fundraising committee. The total project will be done in three phases and is estimated to cost approximately \$250,000.
- The owner of two fitness centers, Jeannine Groll, was selected to lead the Preston Chamber of Commerce for the upcoming year. Besides working with merchant groups to bring more business to the city, she plans to continue working on the walking trail and city beautification projects.

BEAR LAKE COUNTY

- The Georgetown City Council voted to significantly increase hook-up fees for sewer and water services. The current rate of \$500 per service is being increased to \$1,500. The comprehensive plan was reviewed and tabled for some clerical corrections before being presented to the citizens.
- The nurse training program at Bear Lake Hospital has been successful in boosting staffing. Three years ago the hospital was paying a premium to bring nurses to the area and accommodate a significant amount of overtime. That's when the hospital board initiated Grow Our Own, a program offering stipends, scholarships and hospital-based distance-learning classrooms to entice local residents to make nursing a career. The program pays 75 percent of a nurse's education costs in return for the nurses working at Bear Lake Memorial for at least the same number of years they received educational assistance. Bear Lake Memorial is fully staffed while statewide, there are more than 400 nursing vacancies.

- Montpelier received a community development block grant to boost downtown revitalization efforts. The grant was awarded from the King's Store Fund and Idaho Community Foundation. It is part of the Idaho Gem Community program promoting economic development in rural communities.
- A new business to the area, Timber's Steakhouse, was recognized by the Greater Bear Lake Chamber of Commerce. The business is owned and operated by Laurie and Bryce Crane and specializes in prime rib dinners.
- The Bear Lake County Planning and Zoning Board began establishing growth area designations for existing communities. Bennington was chosen as the first community that will be evaluated. Public hearings were held to discuss the proposals and get public input on the board's recommendations.
- The Grace School Board recently voted not to advance the idea of consolidation after a straw poll indicated overwhelming opposition to the idea. Dropping enrollments and aging buildings had prompted a discussion of school district consolidation between the Soda Springs and Grace school boards. Unless a mail-out ballot count for Grace patron is substantially different, there will not be any school consolidations in the near future.
- Oneida County officials will ask residents May 7 to pass a bond to build a new jail. A similar request failed to get the two-thirds majority needed to pass last May. As part of the funding package, Oneida County Sheriff Jim Semrad said there is a good chance the federal government will provide \$200,000 in startup money if the county agrees to a 20-year contract to house up to 30 federal prisoners.

CARIBOU AND ONEIDA COUNTIES

- In Soda Springs, Agrium officials reacted quickly to call in assistance when water laced with acid breached a safety wall in the company's settling ponds. Because of their swift action, cooperation among responders and the frozen ground, no damage to livestock, wildlife or the aquifer occurred.

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ATTENTION FARMERS - AVOID LIABILITY!

Hire Licensed Contractors

State and federal laws require most farm labor contractors to:

- Register with the state;
- Pay workers at the wages they were promised but never less than \$5.15 an hour;
- Provide written statements of earnings and hours worked;
- Provide worker's compensation coverage;
- Transport employees in vehicles that are properly insured, meet federal and state safety standards and operated by licensed drivers;
- Provide access to sanitary drinking water, bathrooms and facilities for washing hands;
- Make sure any housing that is provided meets federal and state safety and health standards.



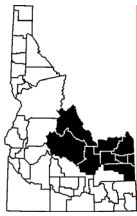


Photo courtesy of the U.S. Department of Agriculture Natural Resources Conservation Service



IDAHO
COMMERCE & LABOR
Wage and Hour Division
317 W. Main St., Boise, ID 83735
Craig Soelberg,
Wage and Hour Supervisor

For a list of licensed farm labor contractors, contact Idaho Commerce & Labor's Wage and Hour Division at 1-800-843-3193 or visit us on the Web at cl.idaho.gov/wh



East Central Idaho News

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON & TETON COUNTIES

EMPLOYMENT TRENDS

The unemployment rate for the Idaho Falls Metropolitan Statistical Area remained constant at 2.6 percent in December as shown in East Central Idaho Table 1. The labor force increased by 170 while total unemployed was down 40. Seasonal activity opened up temporary retail jobs. Retail trade and health care were the only industries to show monthly job increases. The area's unemployment rate remained unchanged year-over-year. Idaho Falls, the largest city in the region, recorded a 2.7 percent unemployment rate, down two-tenths of a percentage point from the previous month and up one-tenth of a percentage point from the same time last year.

SPECIAL TOPIC: Annual Labor Force

The Idaho Falls region's preliminary annual unemployment rate of 2.7 percent for 2006 is the lowest of Idaho's five metropolitan areas. With an average labor force of 61,880 — 60,220 of those employed — the area is strong, vibrant and growing. The average labor force increased by almost 2,000 from 2005, and the unemployment rate was two-tenths of a percentage point lower. A look at the nine counties in east central Idaho shows an average low annual unemployment rate of 2.8 percent, down three-tenths of a point from the same time last year. Over the year, the nine counties saw an increase of almost 2,500 in the labor force.

AREA DEVELOPMENTS

BONNEVILLE COUNTY

- The Eagle Rock Art Guild opened a new art center in Idaho Falls after a 15-year search for a permanent home. The 3,300-square-foot center is within walking distance of the Willowtree Gallery, the Art Museum, Elegance in Art and the Carr Gallery at the Willard Arts Center. It is in the same location previously occupied by

East Central Idaho Table 1: Idaho Falls MSA Labor Force & Employment
Bonneville and Jefferson counties

	Dec 2006*	Nov 2006	Dec 2005	% Change From Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	61,720	61,550	60,680	0.3	1.7
Unemployment	1,590	1,630	1,600	-2.5	-0.6
% of Labor Force Unemployed	2.6	2.6	2.6		
Total Employment	60,130	59,930	59,080	0.3	1.8
<i>Unadjusted</i>					
Civilian Labor Force	61,590	61,700	60,790	-0.2	1.3
Unemployment	1,500	1,460	1,450	2.7	3.4
% of Labor Force Unemployed	2.4	2.4	2.4		
Total Employment	60,090	60,240	59,340	-0.2	1.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	54,560	54,790	53,490	-0.4	2.0
<i>Goods-Producing Industries</i>	7,620	7,770	7,270	-1.9	4.8
Natural Resources & Mining	10	10	50	0.0	-80.0
Construction	4,260	4,410	3,890	-3.4	9.5
Manufacturing	3,350	3,350	3,330	0.0	0.6
Food Manufacturing	1,090	1,080	1,060	0.9	2.8
Fabricated Metal Product Manufacturing	240	240	250	0.0	-4.0
Machinery Manufacturing	150	150	150	0.0	0.0
Other Manufacturing	1,870	1,880	1,870	-0.5	0.0
<i>Service-Providing Industries</i>	46,940	47,020	46,220	-0.2	1.6
Trade, Transportation & Utilities	13,900	13,870	13,470	0.2	3.2
Wholesale Trade	4,240	4,290	4,180	-1.2	1.4
Retail Trade	7,920	7,850	7,650	0.9	3.5
Utilities	50	50	50	0.0	0.0
Transportation	1,690	1,680	1,590	0.6	6.3
Information	1,200	1,200	1,180	0.0	1.7
Financial Activities	2,130	2,130	2,140	0.0	-0.5
Professional & Business Services	9,190	9,270	9,480	-0.9	-3.1
Educational & Health Services	7,210	7,180	6,790	0.4	6.2
Leisure & Hospitality	4,310	4,320	4,420	-0.2	-2.5
Other Services	1,970	2,010	2,040	-2.0	-3.4
Government Education	3,570	3,620	3,470	-1.4	2.9
Government Administration	3,460	3,420	3,230	1.2	7.1

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

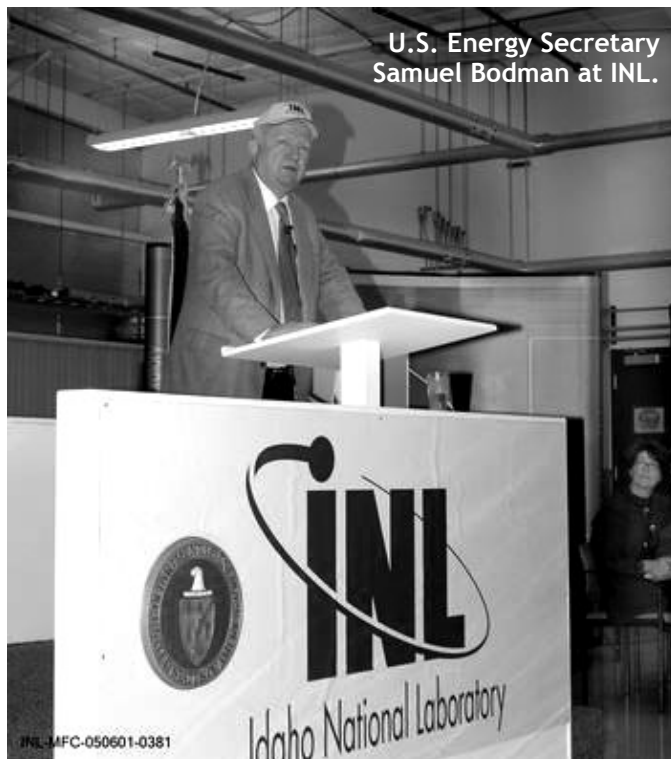
The Cracked Pot. Art shows, contests and classes is the focus rather than sales. Operating expenses are covered by proceeds from the annual Sidewalk Art Show, donations, grants and membership dues.

- District 7 Health Department is now called Eastern Idaho Public Health. The department is rolling out the name with a new logo, Web site and e-mail addresses along with the new building that will be completed in September. The change came about for several reasons. Of the state's seven public health districts, District 7 was the

only one without a name reflecting the geographic area it covers. It was also changed to differentiate it from the other agencies that serve the area with similar names. All of the health districts are charged with preventing disease, promoting healthy habits and protecting the environment.

- The Sunnyside Road project has passed one more hurdle. H-K Contractors was the lone bidder for street widening between Yellowstone Highway and Holmes Avenue. The contract sets an Oct. 30 deadline for completion.
- KUPI's AM radio station has changed its format to Spanish from classic country. The 99.1 FM station still carries the latest county music, but now 980 AM will air all-Spanish music and advertising except for local athletic events such as Idaho Falls high school games, American Legion tournaments, Utah Jazz games, University of Idaho games and Idaho Falls Chukars contests. Keith Walker remains the station's general manager. The program director is long-time disc jockey Domingo Muñoz, who will continue as one of four DJ's at the station. The move reflects the growth of the area's Hispanic population. Other local Spanish stations are KIGO 1400 AM in St. Anthony and KBLI 1620 AM in Blackfoot.
- The Idaho National Laboratory and British company Nexia Solutions, a subsidiary of British Nuclear Fuels Ltd., are collaborating at the encouragement of the U.S. Department of Energy and the British government. The two will develop the next generation of recycling processes for nuclear plants, which supports the Global Nuclear Energy Partnership. The partnership is part of President Bush's initiative to develop worldwide consensus on using economical, carbon-free nuclear energy to meet growing electricity demand. Nexia's head of U.S. operations will live in Idaho Falls. With this new mission, Nexia will become Britain's national laboratory. The energy partnership aims to put the U.S. out front in worldwide nuclear energy efforts.
- Kohl's department store will open in Ammon on April 9. The company recently finished hiring the new staff at Idaho Falls' Commerce & Labor office and started training its employees this month. Kohl's, based in Menomonee Falls, Wis., will have 834 stores in 46 states by the end of April. The company markets itself as a family-focused, value-oriented specialty department store. It offers moderately-priced national brand apparel, shoes, accessories, beauty and home products. Kohl's offers competitive wages and employee benefits including a 401 (k) plan, employee stock ownership, medical insurance and merchandise discounts.

- Walgreen's opened a new store in Ammon at the end of February. This is the company's second store in the Idaho Falls area.
- A new seafood restaurant is in the works for Taylor Crossing on the River. The Idaho Falls Planning Commission will consider the proposal during its March meeting. A Taylor Crossing marketing official said it will be an upscale establishment and will feature a deck overlooking the Snake River. A name has not been announced.



- The Idaho National Laboratory broke ground on its \$14 million Center for Advanced Energy Studies building in February. The program will bring government, private industry and academia together to produce a new generation of people to help solve energy problems throughout the world. U.S. Department of Energy Secretary Samuel Bodman announced the project for Idaho Falls in 2005. The 50,000-square-foot building, scheduled to be finished by July 2008, will be located on the north side of the University Place campus in Idaho Falls. The center will focus on nuclear energy along with biofuels, geothermal power and hydropower. The building will consist of laboratories, offices, meeting rooms and classrooms. It will be a core resource center to the world.

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Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Metropolitan Statistical Areas (MSA): Combinations of counties in which at least half the residents live in an urban center of 50,000 or more and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MSAs. Idaho has five MSAs: Boise MSA including Ada, Canyon, Boise, Gem and Owyhee counties; Bonneville MSA including Bonneville and Jefferson counties; Pocatello MSA including Bannock and Power counties; Lewiston MSA including Nez Perce County and Asotin County, Wash.; Coeur d’Alene MSA including Kootenai, Boundary, Bonner, Benewah and Shoshone counties.

Micropolitan Statistical Area (MicSA): Combinations of counties in which at least half the residents live in urban

centers totaling at least 10,000—or 5,000 living in a single urban center—and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MicSAs. Idaho has three MicSAs: Burley MicSA including Cassia and Minidoka counties; Rexburg MicSA including Madison and Fremont counties; Twin Falls MicSA including Twin Falls and Jerome counties.

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Small Labor Market Areas (SLMA): Combinations of counties with significant ties through commuting patterns but no urban centers with populations of 10,000 or more. The Office of Management and Budget designates the SLMAs. Idaho has two SLMAs: Hailey SLMA including Blaine and Camas counties; Grangeville SLMA including Lewis and Idaho counties.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.

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